

# Senate File 2117 - Introduced

SENATE FILE 2117

BY RAGAN

## A BILL FOR

1 An Act relating to substance use disorder services and  
2 reimbursement, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I

2 INTEGRATED PROVIDER NETWORK PROVIDERS — REIMBURSEMENT

3 Section 1. INTEGRATED PROVIDER NETWORK PROVIDERS —  
4 MEDICAID PROVIDERS — REIMBURSEMENT. The department of  
5 human services shall establish an integrated provider network  
6 provider as a participating provider type under the Medicaid  
7 program comparable to the integrated provider network providers  
8 under contract with the department of public health. The  
9 department shall designate and utilize the Medicaid community  
10 mental health center enhanced fee schedule as the minimum  
11 reimbursement for services provided by Medicaid integrated  
12 provider network providers.

13 Sec. 2. EMERGENCY RULES. The department may adopt emergency  
14 rules under section 17A.4, subsection 3, and section 17A.5,  
15 subsection 2, paragraph "b", to administer the provisions of  
16 this division. Any rules adopted in accordance with this  
17 section shall also be published as a notice of intended action  
18 as provided in section 17A.4.

19 Sec. 3. EFFECTIVE DATE. This division of this Act, being  
20 deemed of immediate importance, takes effect upon enactment.

21 DIVISION II

22 BEHAVIORAL HEALTH SERVICES — REIMBURSEMENT

23 Sec. 4. SUBSTANCE USE DISORDER — INTENSIVE OUTPATIENT AND  
24 RESIDENTIAL TREATMENT — REIMBURSEMENT.

25 1. For the fiscal year beginning July 1, 2020, the  
26 department of human services shall establish reimbursement  
27 rates for substance use disorder intensive outpatient and  
28 residential treatment services provided under a Medicaid  
29 1915(b)(3) waiver equal to the reimbursement rates provided  
30 for the same services under the substance abuse prevention and  
31 treatment block grant awarded by the United States department  
32 of health and human services substance abuse and mental health  
33 services administration and administered by the department of  
34 public health.

35 2. The department of public health in collaboration

1 with the department of human services shall review and make  
2 recommendations for Medicaid 1915(b)(3) waiver reimbursement  
3 rates for substance use disorder intensive outpatient and  
4 residential treatment services using a projected cost report  
5 agreed upon by the departments and the integrated provider  
6 network providers. The departments shall establish time frames  
7 for release of the agreed-upon projected cost report form to  
8 providers and the deadline for submission of the completed  
9 projected cost reports by providers to the departments, in  
10 order to allow sufficient time for review and the making of  
11 recommended adjustments to the Medicaid 1915(b)(3) waiver  
12 reimbursement rates for Medicaid integrated provider network  
13 providers effective January 1, 2021.

14 3. The department of public health in collaboration with the  
15 department of human services and behavioral health providers  
16 shall review reimbursement rates for behavioral health services  
17 and Medicaid 1915(b)(3) waiver services using the projected  
18 cost report agreed upon by the departments and the integrated  
19 provider network providers. The departments shall establish  
20 time frames for release of the agreed-upon projected cost  
21 report form to behavioral health providers and the deadline  
22 for submission of the completed projected cost reports by  
23 behavioral health providers to the departments, in order to  
24 allow sufficient time for the departments to review and make  
25 recommended adjustments to the Medicaid 1915(b)(3) waiver  
26 reimbursement rates and the behavioral health services fee  
27 schedule effective July 1, 2021.

28 4. The department of public health in collaboration with the  
29 department of human services shall establish an ongoing plan  
30 for regular review of reimbursement for substance use disorder  
31 treatment and to provide information to the governor and the  
32 general assembly in a timely manner to allow for provision of  
33 appropriate funding for any change in reimbursement.

34 Sec. 5. EMERGENCY RULES. The department may adopt emergency  
35 rules under section 17A.4, subsection 3, and section 17A.5,

1 subsection 2, paragraph "b", to administer the provisions of  
2 this division. Any rules adopted in accordance with this  
3 section shall also be published as a notice of intended action  
4 as provided in section 17A.4.

5 Sec. 6. EFFECTIVE DATE. This division of this Act, being  
6 deemed of immediate importance, takes effect upon enactment.

7 DIVISION III

8 MEDICATION-ASSISTED TREATMENT

9 Sec. 7. MEDICATION-ASSISTED TREATMENT — PRIOR  
10 AUTHORIZATION PROHIBITED. The department of human services  
11 shall adopt rules pursuant to chapter 17A that prohibit prior  
12 authorization for medication-assisted treatment under both  
13 Medicaid fee-for-service or managed care administration.  
14 The department of human services shall also include this  
15 prohibition in any contract entered into with a Medicaid  
16 managed care organization. For the purposes of this  
17 section, "medication-assisted treatment" means the medically  
18 monitored use of certain substance use disorder medications in  
19 combination with other treatment services.

20 Sec. 8. EMERGENCY RULES. The department may adopt emergency  
21 rules under section 17A.4, subsection 3, and section 17A.5,  
22 subsection 2, paragraph "b", to administer the provisions of  
23 this division. Any rules adopted in accordance with this  
24 section shall also be published as a notice of intended action  
25 as provided in section 17A.4.

26 Sec. 9. EFFECTIVE DATE. This division of this Act, being  
27 deemed of immediate importance, takes effect upon enactment.

28 DIVISION IV

29 SUBSTANCE USE DISORDER ADVISORY PANEL

30 Sec. 10. SUBSTANCE USE DISORDER ADVISORY PANEL. The  
31 department of public health in collaboration with the  
32 department of human services shall establish a substance use  
33 disorder advisory panel to review access to substance use  
34 disorder services and to resolve barriers to access. The  
35 members of the advisory panel shall include but are not

1 limited to representatives of hospital-affiliated substance use  
2 disorder treatment programs, the integrated provider network,  
3 and others with interest or expertise in substance use disorder  
4 treatment services and reimbursement.

5 DIVISION V

6 MEDICAID WAIVER REQUIREMENTS

7 Sec. 11. MEDICAID WAIVER REQUIREMENTS. The department  
8 of human services in collaboration with the department of  
9 public health shall amend the existing federal Medicaid 1915(b)  
10 waiver or shall apply for a federal Medicaid 1115 demonstration  
11 waiver to enhance access to and increase reimbursement for  
12 substance use disorder treatment services, including but not  
13 limited to outpatient substance abuse treatment services,  
14 intensive outpatient substance abuse treatment services, and  
15 residential treatment services. The departments shall submit a  
16 progress report regarding receipt of federal approval of any  
17 waiver amendment or application to the governor and the general  
18 assembly by October 1, 2020.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill relates to substance use disorder services and  
23 reimbursement.

24 Division I of the bill requires the department of human  
25 services (DHS) to establish an integrated provider network  
26 provider as a participating provider type under the Medicaid  
27 program comparable to the integrated provider network providers  
28 under contract with the department of public health (DPH).  
29 The bill requires DHS to designate and utilize the Medicaid  
30 community mental health center enhanced fee schedule as  
31 the minimum reimbursement for services provided by Medicaid  
32 integrated provider network providers. The division provides  
33 for emergency rulemaking and takes effect upon enactment.

34 Division II of the bill relates to reimbursement of  
35 behavioral health services. The bill requires that for

1 the fiscal year beginning July 1, 2020, DHS shall establish  
2 reimbursement rates for substance use disorder intensive  
3 outpatient and residential treatment services provided under  
4 a Medicaid 1915(b)(3) waiver equal to the reimbursement rates  
5 provided for the same services under the substance abuse  
6 prevention and treatment block grant administered by DPH.  
7 Additionally, division II requires DPH in collaboration with  
8 DHS to review and make recommendations for Medicaid 1915(b)(3)  
9 waiver reimbursement rates for substance use disorder intensive  
10 outpatient and residential treatment services using a projected  
11 cost report agreed upon by the departments and the integrated  
12 provider network providers. The departments are required  
13 to establish time frames for release of the agreed-upon  
14 projected cost report form to providers and the deadline  
15 for submission of the completed projected cost reports by  
16 providers to the departments, to allow sufficient time for  
17 review and adjustments to reimbursement rates for Medicaid  
18 integrated provider network service providers effective January  
19 1, 2021. Division II also requires DPH in collaboration with  
20 DHS and behavioral health providers to review reimbursement  
21 rates for behavioral health services and Medicaid 1915(b)(3)  
22 waiver services using the projected cost report agreed  
23 upon. Again, the departments shall establish time frames and  
24 deadlines for the cost reports to allow sufficient time for  
25 the departments to review and make recommended adjustments to  
26 the reimbursement rates and the behavioral health services  
27 fee schedule effective July 1, 2021. Finally, the division  
28 directs DPH in collaboration with DHS to establish an ongoing  
29 plan for regular review of reimbursement for substance use  
30 disorder treatment services and to provide information to the  
31 governor and the general assembly in a timely manner to allow  
32 for provision of appropriate funding for the next fiscal year.  
33 The division provides for emergency rulemaking and takes effect  
34 upon enactment.

35 Division III of the bill requires DHS to adopt

1 administrative rules to prohibit prior authorization for  
2 the provision of medication-assisted treatment under either  
3 Medicaid fee-for-service or managed care administration.  
4 The division also requires DHS to include this prohibition  
5 in any contract entered into with a Medicaid managed care  
6 organization. Under the division, "medication-assisted  
7 treatment" means the medically monitored use of certain  
8 substance use disorder medications in combination with other  
9 treatment services. The division provides for emergency  
10 rulemaking and takes effect upon enactment.

11 Division IV of the bill requires DPH in collaboration  
12 with DHS to establish an advisory panel to review access to  
13 substance use disorder services and to resolve barriers to  
14 access. The members of the advisory panel include but are not  
15 limited to representatives of hospital-affiliated substance use  
16 disorder treatment programs, the integrated provider network,  
17 and others with interest or expertise in substance use disorder  
18 treatment services and reimbursement.

19 Division V of the bill directs DHS in collaboration with  
20 DPH to apply for a federal Medicaid 1115 demonstration waiver  
21 or amend the existing federal Medicaid 1915(b) waiver to  
22 enhance access to and reimbursement for substance use disorder  
23 treatment services. The departments shall report progress  
24 regarding receipt of federal approval of any waiver amendment  
25 or application to the governor and the general assembly by  
26 October 1, 2020.